



General Assembly

February Session, 2008

***Raised Bill No. 125***

LCO No. 1441

\* SB00125ENV 030308 \*

Referred to Committee on Environment

Introduced by:  
(ENV)

***AN ACT CONCERNING CLEAN AND ALTERNATIVE FUEL VEHICLES.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivisions (67) to (69), inclusive, of section 12-412 of the  
2 2008 supplement to the general statutes are repealed and the following  
3 is substituted in lieu thereof (*Effective from passage*):

4 (67) Sales of and the storage, use or other consumption, prior to July  
5 1, [2008] 2012, of a new motor vehicle which is exclusively powered by  
6 a clean alternative fuel. As used in this subdivision and subdivisions  
7 (68) and (69) of this section, "clean alternative fuel" shall mean natural  
8 gas, hydrogen or electricity when used as a motor vehicle fuel or  
9 propane when used as a motor vehicle fuel if such a vehicle meets the  
10 federal fleet emissions standards under the federal Clean Air Act or  
11 any emissions standards adopted by the Commissioner of  
12 Environmental Protection as part of the state's implementation plan  
13 under said act.

14 (68) Sales of and the storage, use or other consumption, prior to July  
15 1, [2008] 2012, of conversion equipment incorporated into or used in  
16 converting vehicles powered by any other fuel to either exclusive use

17 of a clean alternative fuel or dual use of any other fuel and a clean  
18 alternative fuel, including, but not limited to, storage cylinders,  
19 cylinder brackets, regulated mixers, fill valves, pressure regulators,  
20 solenoid valves, fuel gauges, electronic ignitions and alternative fuel  
21 delivery lines.

22 (69) Sales of and the storage, use or other consumption, prior to July  
23 1, [2008] 2012, of equipment incorporated into or used in a compressed  
24 natural gas or hydrogen filling or electric recharging station for  
25 vehicles powered by a clean alternative fuel, including, but not limited  
26 to, compressors, storage cylinders, associated framing, tubing and  
27 fittings, valves, fuel poles and fuel delivery lines used for clean  
28 alternative fuel storage and filling facilities.

29 Sec. 2. Subdivision (2) of subsection (b) of section 12-587 of the 2008  
30 supplement to the general statutes is repealed and the following is  
31 substituted in lieu thereof (*Effective from passage*):

32 (2) Gross earnings derived from the first sale of the following  
33 petroleum products within this state shall be exempt from tax: (A) Any  
34 petroleum products sold for exportation from this state for sale or use  
35 outside this state; (B) the product designated by the American Society  
36 for Testing and Materials as "Specification for Heating Oil D396-69",  
37 commonly known as number 2 heating oil, to be used exclusively for  
38 heating purposes or to be used in a commercial fishing vessel, which  
39 vessel qualifies for an exemption pursuant to section 12-412 of the 2008  
40 supplement to the general statutes, as amended by this act; (C)  
41 kerosene, commonly known as number 1 oil, to be used exclusively for  
42 heating purposes, provided delivery is of both number 1 and number 2  
43 oil, and via a truck with a metered delivery ticket to a residential  
44 dwelling or to a centrally metered system serving a group of  
45 residential dwellings; (D) the product identified as propane gas, to be  
46 used exclusively for heating purposes; (E) bunker fuel oil, intermediate  
47 fuel, marine diesel oil and marine gas oil to be used in any vessel  
48 having a displacement exceeding four thousand dead weight tons; (F)  
49 for any first sale occurring prior to July 1, [2008] 2012, propane gas to

50 be used as a fuel for a motor vehicle; (G) for any first sale occurring on  
 51 or after July 1, 2002, grade number 6 fuel oil, as defined in regulations  
 52 adopted pursuant to section 16a-22c, to be used exclusively by a  
 53 company which, in accordance with census data contained in the  
 54 Standard Industrial Classification Manual, United States Office of  
 55 Management and Budget, 1987 edition, is included in code  
 56 classifications 2000 to 3999, inclusive, or in Sector 31, 32 or 33 in the  
 57 North American Industrial Classification System United States  
 58 Manual, United States Office of Management and Budget, 1997 edition;  
 59 (H) for any first sale occurring on or after July 1, 2002, number 2  
 60 heating oil to be used exclusively in a vessel primarily engaged in  
 61 interstate commerce, which vessel qualifies for an exemption under  
 62 section 12-412 of the 2008 supplement to the general statutes, as  
 63 amended by this act; (I) for any first sale occurring on or after July 1,  
 64 2000, paraffin or microcrystalline waxes; (J) for any first sale occurring  
 65 prior to July 1, [2008] 2012, petroleum products to be used as a fuel for  
 66 a fuel cell, as defined in subdivision (113) of section 12-412 of the 2008  
 67 supplement to the general statutes, as amended by this act; (K) a  
 68 commercial heating oil blend containing not less than ten per cent of  
 69 alternative fuels derived from agricultural produce, food waste, waste  
 70 vegetable oil or municipal solid waste, including, but not limited to,  
 71 biodiesel or low sulfur dyed diesel fuel; or (L) for any first sale  
 72 occurring on or after July 1, 2007, diesel fuel other than diesel fuel to be  
 73 used in an electric generating facility to generate electricity.

74 Sec. 3. Subsection (a) of section 12-264 of the general statutes is  
 75 repealed and the following is substituted in lieu thereof (*Effective from*  
 76 *passage*):

77 (a) Each (1) municipality, or department or agency thereof, or  
 78 district manufacturing, selling or distributing gas to be used for light,  
 79 heat or power, (2) company the principal business of which is  
 80 manufacturing, selling or distributing gas or steam to be used for light,  
 81 heat or power, including each foreign municipal electric utility, as  
 82 defined in section 12-59, and given authority to engage in business in

83 this state pursuant to the provisions of section 16-246c\*, and (3)  
 84 company required to register pursuant to section 16-258a shall pay a  
 85 quarterly tax upon gross earnings from such operations in this state.  
 86 Gross earnings from such operations under subdivisions (1) and (2) of  
 87 this subsection shall include (A) all income classified as operating  
 88 revenues by the Department of Public Utility Control in the uniform  
 89 systems of accounts prescribed by said department for operations  
 90 within the taxable quarter and, with respect to each such company, (B)  
 91 all income classified in said uniform systems of accounts as income  
 92 from merchandising, jobbing and contract work, (C) income from  
 93 nonutility operations, (D) revenues from lease of physical property not  
 94 devoted to utility operation, and (E) receipts from the sale of residuals  
 95 and other by-products obtained in connection with the production of  
 96 gas, electricity or steam. Gross earnings from such operations under  
 97 subdivision (3) of this subsection shall be gross income from the sales  
 98 of natural gas, provided gross income shall not include income from  
 99 the sale of natural gas to an existing combined cycle facility comprised  
 100 of three gas turbines providing electric generation services, as defined  
 101 in section 16-1 of the 2008 supplement to the general statutes, with a  
 102 total capacity of seven hundred seventy-five megawatts, for use in the  
 103 production of electricity. Gross earnings of a gas company, as defined  
 104 in section 16-1 of the 2008 supplement to the general statutes, shall not  
 105 include income earned in a taxable quarter commencing prior to June  
 106 30, [2008] 2012, from the sale of natural gas or propane as a fuel for a  
 107 motor vehicle. No deductions shall be allowed from such gross  
 108 earnings for any commission, rebate or other payment, except a refund  
 109 resulting from an error or overcharge and those specifically mentioned  
 110 in section 12-265. Gross earnings of a company as described in  
 111 subdivision (2) of this subsection shall not include income earned in  
 112 any taxable quarter commencing on or after July 1, 2000, from the sale  
 113 of steam.

114 Sec. 4. Section 12-217i of the general statutes is repealed and the  
 115 following is substituted in lieu thereof (*Effective July 1, 2008, and*  
 116 *applicable to income years commencing on or after January 1, 2008*):

117 (a) There shall be allowed a credit for any taxpayer against the tax  
 118 imposed by this chapter, chapter 209, 210, 211 or 212 in any income  
 119 year or calendar quarter, as the case may be, commencing prior to  
 120 January 1, [2008] 2012, in an amount equal to ten per cent of the  
 121 amount of expenditures paid or incurred during such income year or  
 122 such quarter, as the case may be, for the incremental cost of purchasing  
 123 a vehicle which is exclusively powered by a clean alternative fuel.

124 (b) There shall be allowed a credit for any taxpayer against the tax  
 125 imposed by this chapter in any income year commencing on or after  
 126 January 1, 1994, and prior to January 1, [2008] 2012, in an amount equal  
 127 to fifty per cent of the amount of expenditures, other than those  
 128 described in subsection (a) of this section, paid or incurred during such  
 129 income year directly for (1) the construction of any filling station or  
 130 improvements to any existing filling station in order to provide  
 131 compressed natural gas, liquefied petroleum gas or liquefied natural  
 132 gas; (2) the purchase and installation of conversion equipment  
 133 incorporated into or used in converting vehicles powered by any other  
 134 fuel to either exclusive use of clean alternative fuel or dual use of such  
 135 other fuel and a clean alternative fuel, including, but not limited to,  
 136 storage cylinders, cylinder brackets, regulated mixers, fill valves,  
 137 pressure regulators, solenoid valves, fuel gauges, electronic ignitions  
 138 and alternative fuel delivery lines, if such converted vehicles, after  
 139 conversion, meet generally accepted standards, including, but not  
 140 limited to, the standards set by the American Gas Association, the  
 141 National Fire Protection Association, the American National Standards  
 142 Institute, the American Society of Testing Materials or the American  
 143 Society of Mechanical Engineers; or (3) the purchase and installation of  
 144 equipment incorporated into or used in a compressed natural gas,  
 145 liquefied petroleum gas or liquefied natural gas filling or electric  
 146 recharging station for vehicles powered by a clean alternative fuel,  
 147 including, but not limited to, compressors, storage cylinders,  
 148 associated framing, tubing and fittings, valves and fuel poles and fuel  
 149 delivery lines.

150 (c) If the amount of any credit provided in this section exceeds the  
 151 amount of tax otherwise payable in the income year or calendar  
 152 quarter, as the case may be, in which such expenditure was paid or  
 153 incurred, the balance of any such credit remaining may be taken in any  
 154 of the three succeeding income years or twelve succeeding calendar  
 155 quarters, respectively. Any taxpayer allowed such a tax credit against  
 156 the tax imposed under this chapter, chapter 209, 210, 211 or 212 shall  
 157 not be allowed such credit under more than one of said chapters. As  
 158 used in this section "clean alternative fuel" shall mean compressed  
 159 natural gas, liquefied petroleum gas, liquefied natural gas or electricity  
 160 when used as a motor vehicle fuel and "incremental cost" shall mean  
 161 the difference between the purchase price of a vehicle which is  
 162 exclusively powered by a clean alternative fuel and the manufacturer's  
 163 suggested retail price of a comparably equipped vehicle which is not  
 164 so powered.

165 Sec. 5. Section 12-458f of the general statutes is repealed and the  
 166 following is substituted in lieu thereof (*Effective from passage*):

167 On and after July 1, 1994, and until July 1, [2008] 2012, compressed  
 168 natural gas, liquefied petroleum gas and liquefied natural gas shall not  
 169 be subject to the tax imposed under section 12-458 of the 2008  
 170 supplement to the general statutes.

171 Sec. 6. Subdivision (115) of section 12-412 of the 2008 supplement to  
 172 the general statutes is repealed and the following is substituted in lieu  
 173 thereof (*Effective from passage*):

174 (115) On and after October 1, 2004, and prior to October 1, [2008]  
 175 2012, the sale of any hybrid passenger car that has a United States  
 176 Environmental Protection Agency estimated highway gasoline mileage  
 177 rating of at least forty miles per gallon. For purposes of this  
 178 subdivision, "hybrid passenger car" means a passenger car that draws  
 179 acceleration energy from two onboard sources of stored energy, which  
 180 are both an internal combustion or heat engine using combustible fuel  
 181 and a rechargeable energy storage system and, for a passenger car or

182 light truck with a model year of 2004 or later, is certified to meet or  
183 exceed the tier II bin 5 low emission vehicle classification.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	12-412(67) to (69)
Sec. 2	<i>from passage</i>	12-587(b)(2)
Sec. 3	<i>from passage</i>	12-264(a)
Sec. 4	<i>July 1, 2008, and applicable to income years commencing on or after January 1, 2008</i>	12-217i
Sec. 5	<i>from passage</i>	12-458f
Sec. 6	<i>from passage</i>	12-412(115)

***ENV***      ***Joint Favorable***